UNITED
NATIONS

A

General Assembly

Distr.
GENERAL

A/AC.241/36
8 June 1995

ENGLISH
Original : ENGLISH

INTERGOVERNMENTAL NEGOTIATING COMMITTEE FOR
THE ELABORATION OF AN INTERNATIONAL CONVENTION
TO COMBAT DESERTIFICATION IN THOSE COUNTRIES
EXPERIENCING SERIOUS DROUGHT AND/OR
DESERTIFICATION, PARTICULARLY IN AFRICA
Seventh session
Nairobi, 7-18 August 1995
Agenda item 2

PROGRAMME AND BUDGET

Note by the Secretariat

CONTENTS

		Page
I.	INTRODUCTION.....	2
II.	ELEMENTS OF PROGRAMME AND BUDGET DECISION.....	3
III.	PROGRAMME OF SUBSEQUENT COP SESSIONS.....	3
IV.	FORMAT OF BUDGET.....	5
	A. Object-of-expenditure categories.....	5
	B. Programme categories.....	6
	C. Summary tables.....	7
	D. Supporting materials.....	8
V.	OPTIONS FOR FUTURE CONSIDERATION.....	8
	ANNEX: Sample tables	9

GE.95-61743

I. INTRODUCTION

1. At its sixth session, the INCD adopted a resolution on the organization and programme of work for the interim period (document A/AC.241/L.24). Paragraph 1 of that resolution gave Working Group I the responsibility to carry out preparatory work for the Conference of the Parties (COP) on the programme and budget. Paragraph 4 of the same resolution requested the Secretariat to prepare documentation on this subject for the seventh session of the INCD. This note responds to that request.

2. One of the functions of the COP, pursuant to article 22, subparagraph 2(g), of the Convention, is to approve a programme and budget for its activities, including those of its subsidiary bodies, and undertake necessary arrangements for their financing. Pursuant to article 22, subparagraph 2(e) of the Convention, the COP is also to adopt financial rules for itself and any subsidiary bodies. These rules, a draft of which appears in document A/AC.241/35, spell out in general terms the procedures for presenting and approving budget estimates. The present note should, therefore, be read in conjunction with that document.

3. The INCD has yet to take basic decisions regarding possible recommendations to the COP on Convention activities. It will not, therefore, be feasible for the Secretariat to present an actual programme and budget for adoption at the first session of the COP until a much later stage of the interim period. The purpose of this note is rather to provide background information on the subject so that the Committee can give appropriate guidance to the Secretariat.

4. The note first reviews the elements of a COP decision on the programme and budget. It then discusses the determination of a programme for COP sessions. A third section analyses some key issues arising in the presentation of the budget. Finally, the note provides some options for further consideration of this subject at the eighth session of the INCD.

5. In preparing this note, the Secretariat reviewed the programme and budget documents of other environmental conventions, including: the United Nations Framework Convention on Climate Change (Climate Change Convention), the Convention on Biological Diversity (Biodiversity Convention), the Convention on the Control of Transboundary Movements of Hazardous Wastes (Basel Convention), the Convention on International Trade in Endangered Species (CITES) and the Convention on Wetlands of International Importance Especially as Waterfowl Habitat (Ramsar Convention). The Secretariat also consulted closely with knowledgeable staff members of these conventions.

6. The note assumes that the programme and budget will be incorporated in one decision document, as is the practice with many related environmental conventions, including most recently the Climate Change Convention. The first COP of the Convention on Biological Diversity, however, approved a separate document containing a medium term programme of work for its next three sessions. It would be relatively easy to accommodate this type of approach if the INCD wished to pursue it in the light of the provisions of article 22, paragraph 4 of the Convention.

7. A second assumption, the implications of which will obviously need to be reviewed later, is that the COP will adopt the financial rules in their present preliminary form.

II. ELEMENTS OF PROGRAMME AND BUDGET DECISION

8. The provisions of the Convention and the draft financial rules, as well as the practice of other environmental conventions, indicate that the Committee might wish to consider the following basic elements for a decision by the first session of the COP on the programme and budget:

(a) Approval of a programme of work for subsequent sessions of the COP;

(b) Adoption, pursuant to paragraph 4 of the financial rules, of the formal budget for the upcoming biennium based on the estimates which the head of the Secretariat presents pursuant to paragraph 3 of the rules, and covering expenditures financed from contributions according to the scale referred to in subparagraph 12(a) of the financial rules;

(c) Approval of the staffing table of the Permanent Secretariat for the biennium, showing the number of posts at each level;

(d) Determination, pursuant to paragraph 6 of the financial rules, of the limits up to which the head of the Permanent Secretariat may make transfers between the main appropriation lines of the budget;

(e) Determination, pursuant to paragraph 8 of the financial rules, of the size of the working capital reserve of the General Fund, set as a percentage of budget expenditures during the financial period;

(f) Determination of the scale for annual contributions by Parties referred to in subparagraph 12(a) of the financial rules; and

(g) Listing of any contributions anticipated, outside the scale, to offset budget expenditures, including contributions in kind and contributions of staff, which will likely be provided by the government hosting the Permanent Secretariat, governments hosting COP sessions, other governments, the organization/organizations providing administrative support to the Permanent Secretariat, the organization housing the Global Mechanism and other organizations.

9. In addition to these basic elements, the decision of the COP could note the timing for payment of annual contributions by Parties in accordance with paragraph 14(a) of the draft rules, and, if appropriate, request governments and organizations to make additional contributions offsetting budget expenditures. It could also ask the head of the Permanent Secretariat to report on income and budget performance at the following session and to propose any adjustments needed in the Convention budget.

III. PROGRAMME OF SUBSEQUENT COP SESSIONS

10. If it wishes to follow the precedent of the Convention on Biological Diversity, the INCD could recommend that the COP set a multi-year work programme for its subsequent sessions. This could initially be done for two years, that is, through the end of the financial period specified in paragraph 2 of the financial rules. It would also be possible to take a longer-term view.

11. One method of setting a multi-year work programme is to first designate standing agenda items, that is substantive matters the COP would take up at all its sessions. The following are some possible examples of standing items:

(a) Review of the implementation of the Convention, and of its institutional arrangements, pursuant to article 22, subparagraphs 2(a) and 2(b), and article 26 of the Convention;

(b) Review, pursuant to article 22, subparagraph 2(d) of the Convention, of the report of the Committee on Science and Technology, including its recommendations to the COP and its programme of work, and the provision of guidance to it;

(c) Review, pursuant to the same article, of the report of the Global Mechanism on its activities, and the provision of guidance to it;

(d) Review of information regarding the activities of the Global Environment Facility (GEF) concerning desertification that relate to its four focal areas, as specified in article 20, subparagraph 2(b) of the Convention; and

(e) Adoption or adjustment of the programme and budget.

12. Aside from standing agenda items, the substantive programme for COP sessions could comprise selected agenda items which the COP would review periodically. Below are some examples of possible items in this category:

(a) Specific scientific, technical and technological matters detailed in articles 16-18 and 24-25 of the Convention, which are listed in the annex to document A/AC.241/37;

(b) Cooperation in the areas of capacity building, education and public awareness detailed in article 19 of the Convention;

(c) Consideration of financial approaches and policies pursuant to article 21, paragraph 1, of the Convention, to the extent that is not done in providing guidance to the Global Mechanism;

(d) Promotion and strengthening of relationships with other conventions in accordance with article 8 and article 22, subparagraph 2(i) of the Convention;

(e) Consideration and adoption, pursuant to article 27 of the Convention, of procedures and mechanisms for resolution of questions that may arise with regard to implementation (if not accomplished at the first session of the COP); and

(f) Adoption, in accordance with article 28, subparagraph 2(a) of the Convention, of an annex containing arbitration procedures (if not accomplished at the first session of the COP).

IV. FORMAT OF BUDGET

A. Object-of-expenditure categories

13. The building blocks of convention budget presentations are usually object-of-expenditure categories. Most environmental conventions employ, with some variations, categories similar to those in the standard United Nations (UN) classification of objects of expenditure. At the highest level of classification, the following is a preliminary illustrative list of major categories that could be used as the basis for the Convention budget, as they appear in Sample Table 2:

(a) Conference services, including expenditures for premises, equipment rental, interpretation, translation, document processing, registration of delegates, hospitality, temporary assistance and other conference services connected with meetings of the COP and its subsidiary bodies;

(b) Staff costs, including the total of the salaries, differentials, allowances and entitlements of the staff of the Permanent Secretariat and any general temporary assistance staff integrated in its operations;

(c) Consultants, experts and contractual services, including the fees and travel expenses of consultants, of personal service and institutional contractors and of experts participating in ad hoc panels pursuant to article 24, paragraphs 2 and 3 of the Convention, as well as payments to outside entities for training of Permanent Secretariat staff, for translations, for the production and distribution of publications and other public affairs materials, and for data processing services;

(d) Official travel of staff, including the travel expenses of members of the Permanent Secretariat to United Nations headquarters, to sessions of the COP and its subsidiary bodies, to other intergovernmental meetings, to relevant seminars, workshops and conferences and to consultations with governments and other secretariats;

(e) Travel of participants, including the travel expenses of eligible delegates of developing countries to COP sessions;

(e) Administrative expenses, including expenditures for rental and maintenance of premises; utilities; purchase, rental and maintenance of furniture and equipment; communications, supplies and materials; and

(f) Programme support charges, that is payments for services rendered by the organization or organizations providing administrative support to the Permanent Secretariat, often expressed as a percentage of expenditures against funds administered for the COP by the organizations.

14. This preliminary list adapts the UN system to take account of the likely size of the Convention budget, as well as of activities that might be involved in implementing the Convention. The major adaptations involve combining related

categories, consolidating conference service expenditures connected with meetings of the COP and its subsidiary bodies and adding a category for payments of charges to organizations providing administrative support to the Permanent Secretariat.

B. Programme categories

15. The budgets of many environmental conventions utilize only object-of-expenditure categories. Recently, however, there has been a trend to overlay them with programme categories, as is done in the cases of the Framework Convention on Climate Change and the Convention on Biological Diversity. This has the advantage of clearly showing the relationship between expenditures and programme activities.

16. In the case of the Permanent Secretariat, budget figures in programme categories might often, however, be harder to estimate than those showing objects of expenditure. It is hard, for example, to foresee exactly how staff time will be allocated among programme activities, some of which might be subject to workload surges. It is also difficult in practice to attribute administrative overhead expenses accurately to the programme activities of secretariat offices, so it is desirable to create a separate programme category for administrative support.

17. Assuming that the advantages of using programme categories outweigh the disadvantages, budget categories, at the highest level of classification, would be defined as the main appropriation lines which the COP would approve. The following is a preliminary and tentative list of programme categories which might be used in this way, as they appear in Sample Table 1 in the Annex:

(a) Policy making organs, including all expenditures directly connected with holding meetings of the COP and the Committee on Science and Technology, particularly conference services, travel of eligible representatives of developing countries and travel of staff members of the Permanent Secretariat when sessions are held away from its site;

(b) Executive direction and management, including the staff costs and travel expenses (when not directly attributable to another programme) of the head of the Permanent Secretariat, of personnel in his or her immediate office and of other staff members with overall management and administrative responsibilities;

(c) Review of implementation, including expenditures for staff, travel, consultants, experts and contractual services authorized to support the communication of information by Parties and the review of such information by the COP, including assistance with developing country communications in accordance with article 23, subparagraph 2(c) and article 26, paragraph 7, of the Convention;

(d) Document preparation and legal support, including expenditures on staff costs, travel and consultants involved in drafting documents for COP sessions, except those in the areas of review of implementation and science and technology, and in providing legal advice;

(e) Science and technology, including expenditures for staff costs and travel of members of the Permanent Secretariat preparing documents for, and otherwise supporting, the activities of the Committee on Science and Technology, except expenditures covered in subparagraph (a), as well as the costs of any consultants required, and all the expenditures connected with the establishment and maintenance of a roster of experts and with the work of ad hoc panels appointed by the COP in accordance with article 24, subparagraphs 2 and 3, of the Convention;

(f) Facilitation of implementation, including:

(i) any expenditures for the Global Mechanism that are charged to the Convention budget; and

(ii) expenditures for staff costs, travel, consultants and contractual services connected to the public information, external relations, coordination and other facilitation activities of the Permanent Secretariat, with governments, other convention secretariats, intergovernmental organizations and non-governmental organizations, including the facilitation of consultative processes in accordance with article 18, paragraph 4, of the regional implementation annex for Africa, article 8, paragraph 3, of the Asian annex and article 7, paragraph 2, of the Latin American and Caribbean annex, as well as any appropriate facilitative activities in support of the regional implementation annex for the Northern Mediterranean; and

(g) Administrative support, including the administrative expenses detailed in subparagraph 13(e) above and the programme support charges outlined in paragraph 13(f) of this note.

C. Summary tables

18. Under the scenario tentatively outlined in the paragraphs above, and assuming that the first Convention budget covers the biennium 1998-1999, the total budget would be based on the first column of sample Table 1 in the annex. The budget which the COP formally adopts would derive from the first column of that table. For information purposes, the budget estimates would also contain a summary of estimates by object of expenditure, similar to that in sample Table 2 of the annex, and a summary of staff requirements like that in sample Table 3. The final versions of all summary tables, as well as other parts of the budget estimates, would obviously have to be adjusted to reflect guidance received from the INCD in its coming sessions.

19. As indicated in paragraph 3 of the draft financial rules, budget figures would appear in an appropriate convertible currency with comparable indicative figures in United States dollars. Staff requirements would be expressed in person years according to UN position grades. All the tables would distinguish sources of financing among the three funds to be established pursuant to paragraphs 7, 9 and 10 of the draft financial rules.

D. Supporting materials

20. The budget presentation, following the precedent of the Climate Change Convention, could support the estimates of expenditures and contributions with the following materials:

(a) Tables showing the breakdown of expenditures for each programme category by object of expenditures;

(b) Tables showing the person years of staff requirements for each programme category by level of post;

(c) Narrative sections outlining activities in each programme category and giving details about expenditures and staff requirements, including breakdowns of high-level object-of-expenditure categories into subcategories;

(d) Narrative sections explaining the estimation of contributions that reduce budget expenditures and the operation of the working capital reserve; and

(d) Narrative sections giving details about the functions of the Permanent Secretariat staff post by post.

21. In accordance with subparagraph 12(a) of the draft financial rules, an appendix to the budget would show the percentage scale of contributions and translate that scale into the absolute value of contributions required from each Party.

V. OPTIONS FOR FURTHER CONSIDERATION

22. On the basis of discussion during the seventh INCD session, the Secretariat could present revised sample tables at the eighth session and indicate other adjustments that would be needed in the presentation of the programme and budget. The Secretariat could also provide further analysis on any issues for which the Committee needed additional background.

ANNEX
Sample Tables

Sample Table 1
Summary of 1998-1999 Requirements by Programme
(Thousands of appropriate currency or US$)

	General Fund		Trust Fund		Special Fund	
	1998	1999	1998	1999	1998	1999
I. EXPENDITURES						
A. Policy-making organs						
B. Executive direction and management						
C. Review of implementation						
D. Document preparation and legal support						
E. Science and technology						
F. Facilitation of implementation						
G. Administrative support						
1. Administrative expenses						
2. Programme support charges						
H. Total Expenditures						
II. CONSTITUTION OF WORKING CAPITAL RESERVE						
III. OFFSETTING CONTRIBUTIONS						
A. Contributions from host Government						
B. Contributions from other governments						
C. Contributions from organizations						
IV. CONTRIBUTIONS NEEDED (I + II - III)						

Sample Table 2
Summary of 1998-1999 Requirements by Object of Expenditure
(Thousands of appropriate currency or US$)

Object of Expenditure	General Fund		Trust Fund		Special Fund	
	1998	1999	1998	1999	1998	1999
Conference services						
Staff costs						
Consultants, experts and contractual services						
Official travel of staff						
Travel of participants						
Administrative expenses						
Programme support charges						
Total Expenditures						

Sample Table 3
Summary of 1998-1999 Staff Requirements
(Person years)

	General Fund		Trust Fund		Special Fund	
	1998	1999	1998	1999	1998	1999
I. Professional category requirements						
D2						
D1						
P5						
P4						
P3						
P2						
Total professional requirements						
II. General services category requirements						
III. Total staff requirements (I + II)						